

SEPTEMBER 2004 HIGHLIGHTS

Despite heavy rain and floods, construction was strong in September. The estimated cost of work authorized by permits was \$1.194 billion. This was the seventh consecutive month that construction topped \$1 billion. Housing accounted for much of this activity. The estimated cost to build new houses and repair or make additions to existing ones was \$719.5 million. This was about 60 percent of all authorized construction. Included in this amount was a \$67.8-million permit update for work begun last year on a college dormitory for Princeton University in Princeton Borough, Mercer County. This amount is counted as residential work, even though dorm rooms are not considered dwellings and are not included in the 3,331 new dwelling units that were authorized in September. This month's construction statistics are based on reports from 548 of New Jersey's 566 municipalities.

Top Performers

Princeton led all localities with \$70.4 million of work. Most of this was for the aforementioned dormitory.

Woodbridge Township in Middlesex County had \$40.5 million of construction. Two big projects accounted for most of this work. A new warehouse with more than a million square feet of storage space broke ground in April and had an additional \$14.4 million of work authorized in September. Woodbridge also issued a building permit for a new sewage treatment facility (a factory building) with an estimated construction cost of \$17.1 million.

Other top localities in September were Franklin Township in Somerset County (\$39.9 million) and the City of Bayonne in Hudson County (\$21.7 million). Housing accounted for most work in both localities. Franklin authorized 180 units in September, second only to Jersey City in Hudson County, which had 404.

Year to Date

The estimated cost of all authorized work is up \$1.6 billion compared to this time last year. This is an increase of 19 percent. New homes are up by 3,298 units compared to the number reported between January and September 2003. This is an increase of 13 percent. Office construction is up by over a million square feet, but retail space is down by 293,120 square feet (6.7 percent) compared to levels authorized between January and September 2003.

Jersey City has the most work thus far in 2004 (\$186.9 million). The City also has the most new houses thus far in 2004 with 1,752 dwellings.

Atlantic City in Atlantic County is second among localities with \$178.7 million of construction. Among the bigger developments are a parking complex for Caesar's Atlantic City hotel and casino, pier development that will have a mix of offices and retail,

and a major renovation of a multifamily building that will be used for time-share apartments.

Franklin reported \$172.5 million of construction, \$153.1 million of which is for houses. The Township had 896 authorized houses through September, fourth among all localities.

The estimated cost of work in the City of New Brunswick, Middlesex County is \$157 million. New Brunswick has several big projects underway, including two mixed-use developments that have residential, office, and retail uses and a new public safety building.

Princeton ranks fifth among municipalities with \$131.3 million of construction. Half of this amount is for the Princeton University dormitory project. Other big developments reported during the year are also University-related and include a renovation of an existing dormitory, and construction of a new lecture hall and science library.

The City of Newark in Essex County had \$130.1 million of construction. Housing accounted for \$72.4 million. Newark's building inspectors issued permits for 1,127 new houses between January and September 2004, second only to Jersey City. One of the bigger commercial projects to break ground in this period was a new student center for the New Jersey Institute of Technology.

Major Construction Indicators, New Jersey: Nine-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – September 1997	\$6,035,067,039	20,715	8,576,567	4,007,958
January – September 1998	\$6,678,258,864	24,609	8,647,701	5,745,808
January – September 1999	\$7,914,223,933	27,654	9,297,792	5,115,191
January – September 2000	\$7,903,432,878	26,486	9,917,532	3,838,654
January – September 2001	\$9,342,508,663	25,419	15,411,962	5,382,939
January – September 2002	\$8,999,773,233	25,351	7,727,817	6,286,676
January – September 2003	\$8,513,886,239	25,405	7,200,118	4,379,191
January – September 2004	\$10,128,167,925	28,703	8,280,276	4,086,071
<i>Difference Between 2003 and 2004</i>				
2003 - 2004	\$1,614,281,686	3,298	1,080,158	-293,120
Percent Change	19.0%	13.0%	15.0%	-6.7%
Source: N.J. Department of Community Affairs, 11/8/04				

New House Prices

The median sales price of the 5,374 new houses that began enrollment in a new home warranty program in the third quarter of 2004 was \$349,900. This was the same median sales price last quarter. New houses in Hunterdon County cost the most. Half of the 92 new homes that began enrollment in a warranty program this quarter cost more than \$612,900.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
2001	23,372	\$253,670	9.5%
2002	23,647	\$274,705	8.3%
2003	22,226	\$307,168	11.8%
1 st Quarter 2003	4,465	\$295,000	
2 nd Quarter 2003	5,540	\$300,793	2.0%
3 rd Quarter 2003	6,901	\$307,950	2.4%
4 th Quarter 2003	6,130	\$319,938	3.8%
1 st Quarter 2004	4,280	\$323,870	1.3%
2 nd Quarter 2004	5,513	\$349,900	8.0%
3 rd Quarter 2004	5,475	\$349,900	0.0%
Source: N.J. Department of Community Affairs, 11/8/04			